

MEMORANDUM

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *RB*

SUBJECT: Worst Case Scenarios in the Middle East

At Tab A is my analysis of worst case scenarios in the Middle East. I differ with the State Department analysis in three important respects:

-- Developments in the region are more interconnected than is implied in their analysis. If things go badly in Iran, the Arab-Israeli balance will be affected.

-- Soviet policy is important, whether the Soviets are responsible for specific events or not. We ignore this at our peril. This is of global, not just regional, significance.

-- We must be perceived as being in control of events, not just reacting. In the Egypt-Israel negotiations, we must try to regain control and not let the parties unilaterally decide what is or is not negotiable.

This topic is of sufficient importance, particularly the Soviet angle, that a PRM on the topic may be justified.

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WORST CASE SCENARIOS IN THE MIDDLE EAST

Our Policy in the Middle East in recent years has sought the following goals:

-- to insure the security of Israel by providing very substantial levels of military assistance and by promoting a negotiated peace settlement.

-- to contain Soviet influence, while at the same time working to prevent situations that could lead to confrontation.

-- to insure a reliable supply of oil from the Middle East for ourselves and our allies, without excessively rapid price escalation.

The means to these ends have consisted of:

-- strengthening our bilateral security relations with key countries such as Israel, Egypt, Saudi Arabia and Iran.

-- actively promoting an Arab-Israeli peace settlement under our auspices.

-- preventing the emergence of a cohesive pro-Soviet radical bloc by keeping lines out to Syria, Algeria, and moderate Palestinians.

-- promoting an energy policy which would rely on high prices to expand production, reduce demand, and encourage substitute forms of energy in order to lessen our long-term dependence on Middle East oil.

Until recently, we seemed to be doing quite well in advancing our major objectives in the Middle East. Now events in Iran

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call into question some of our previous assumptions, just at a time when negative Arab reactions to the Camp David agreements could bring about a new alignment in inter-Arab politics. In this latter arena, we have tended to assume that Syrian-Iraqi rivalry would make it difficult for the Soviets to forge a strong radical group opposed to our interests. The specter of a separate Egyptian-Israeli peace may now be pushing Syria and Iraq closer together, and thereby bringing Jordan as well into their sphere of influence. A second assumption has been that Saudi Arabia will continue to support Sadat. In the aftermath of the Baghdad Summit, we have to reexamine the solidity of Saudi-Egyptian relations, which do not, after all, have very deep roots.

With these points in mind, a worst-case scenario for the Middle East could involve the following adverse developments:

- A breakdown in central authority in Iran, with the Shah either losing control or abdicating. This could have immediate consequences for stability in the Arabian Peninsula, especially in the small Gulf emirates.

- A stalemate in the Egyptian-Israeli peace negotiations, or the conclusion of a separate Egyptian-Israeli agreement that seriously alienates the Saudis, Jordanians and moderate Palestinian elements. Saudi support for Egypt could be cut back and the Arab League could proceed to carry out sanctions against Sadat.

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-- A more assertive Soviet policy aimed at gaining influence in Iran, supporting Syrian-Iraqi-Jordanian-Palestinian rapprochement, stepping up subversive activities via Libya and South Yemen against Egypt, North Yemen, Oman, and the Gulf states.

-- A renewal of hostilities in Lebanon, bringing Israel and Syria to the brink of confrontation.

-- Oil supply disruptions, pressures for higher prices, and a general politicization of the "oil weapon."

In contrast to the State Department analysis, which sees these as discrete events, we tend to see them as interrelated. They would all provide evidence that we are losing control and that perception would strengthen the hand of our adversaries and embolden the Soviets.

In the case of Iran, our strategy to protect our interests must focus on the following points:

-- Maintain a firm position of support for the Shah. This is particularly important over the next six weeks when the opposition will be trying to bring him down.

-- Mobilize international support for Iran, particularly on the economic front.

-- Vigorously oppose Soviet efforts to undercut the Shah or enhance their own influence in Iran. Cooperate with regional states in monitoring Soviet activities and sharing information.

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A firm line with the Soviets, and the perception in the international community that the U.S. is aware of the dangers and is prepared to confront them, will be quite important in avoiding panic in Saudi Arabian and other Gulf states. Iran badly needs financial assistance in getting through its liquidity crisis and impending consumer goods shortage. We should take immediate steps to mobilize an international effort to deal with these.

In the Egyptian-Israeli negotiations, it is important for our broad Middle East policy that the Camp David agreements be carried out to their fullest extent. A separate Egyptian-Israeli treaty, with no clear commitment from Israel to proceed on the West Bank/Gaza, will risk driving a wedge between Egypt and Saudi Arabia and will play into the hands of the Soviets and the rejectionists. It is therefore important that we succeed in obtaining at least a minimal degree of "linkage" and that we effectively oppose further Israeli settlement activity. The Israelis are now launching a concerted effort to imply that any form of linkage is a deviation from Camp David. This is not the case, and it is important for us to reestablish this fact. If we do not succeed, the Israelis will not take us seriously (as they seem not to on settlements), and our credibility with Sadat will be weakened. A test of wills over linkage and/or settlements we should be able to sustain. If our Ambassador

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is unable to present our case forcefully, as he seems to be unwilling to do at present, we will have to rely more heavily on public statements by the Secretary of State (not involving you excessively at this time).

In brief, we must define what is important and even essential in implementing Camp David -- whereas right now this is being done alternatively by the Israelis and then the Egyptians. Nothing less will break the current impasse.

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NODISMiddle East "Worst Case" Scenarios

The purpose of this paper is to look, as requested, at "worst case" scenarios for the Middle East, the implications for the U.S. in such situations, and what we could do about them. The following possibilities strike us as the likeliest contingencies that we need to consider:

-- Sadat signs a Treaty that the other Arabs see as a sell-out; they mobilize against him.

-- Sadat is forced from office and replaced by a regime that is hostile to the peace negotiations.

-- Alternatively, the Egypt-Israel Treaty negotiations fail, Sadat survives and a prolonged stalemate ensues.

-- The Shah is overthrown and is replaced by a regime that is markedly less friendly to the U.S.

-- From any of the above causes there is instability in Saudi Arabia.

-- The tenuous cease-fire in Lebanon breaks down and Israeli and Syrian troops are brought into confrontation.

-- There is a leftist coup in North Yemen which the Soviets support.

Any of these can happen; indeed two or more could happen at the same time. But the cause and effect relationship between them varies from the immediate to the tenuous. We see no "cascade" effect as between events in Iran and developments in the Arab-Israel arena, although there is a meeting place between the two in that both, in differing degrees, could affect political stability in Saudi Arabia and the smaller Gulf states. The fall of the Shah is not likely to impact directly on prospects for Arab-Israel negotiations; conversely the success or failure of the negotiations is not likely to affect events in Iran. Even the connection between Lebanon and the Arab-Israel negotiations should not be exaggerated: while a prolonged impasse

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and gradual deterioration in Arab-Israel peace prospects will add to the likelihood of a new crisis in Lebanon, the reverse is not necessarily true if Israel and its negotiating partners develop sufficient common purpose in seeing that such a crisis does not disrupt the peace process.

This paper does not deal at any length with Soviet behavior in these various contingencies. In none of them do we feel that Soviet actions or inactions are likely to be the decisive determinant upon the course of events in the area. The Soviets can be expected, however, to continue to try to capitalize on anti-Western pressures and to work toward the objective, over time, of a reorientation of indigenous regimes and policies in a manner that is more responsive to Moscow. To the extent that these contingencies erode Western and U.S. interests, Moscow will of course be seen as the gainer.

In the section below we look at the possible contingencies in greater detail.

I. Sadat Signs a "Separate Peace." Of the first two contingencies listed--a failure of the Treaty negotiations, and Sadat signing a Treaty that is seen as a sell-out by the other Arabs--it is ironically the second that will lead to the greater immediate pressures on the U.S. The Baghdad Summit puts us on notice, as it has Sadat as well, of the strong emotions that will be generated in the Arab world by Sadat's proceeding with what the Arabs interpret as a separate peace settlement. Whether this translates into a solid front of hostility to Sadat and concrete actions against him, or whether there will be a body of moderates who reserve judgment, will depend on three factors: a) what Sadat manages to get in the Treaty documents by way of explicit assurances that West Bank/ Gaza negotiations will go forward; b) whether we can in fact get those negotiations underway promptly; c) the degree to which we are willing to put our relations with the moderates on the line, and look like we mean it.

Arab hostility would focus in the first instance on Sadat and Egypt; it would only secondarily and over time shift to us. But even in the initial phase it would create some serious policy problems for us. In a worst case scenario the Arabs could apply political and economic sanctions against Sadat, including, of course, withdrawal of financial aid. Sadat will look to us to make this up. He will also feel threatened and seek military equipment from us, and with no way to pay for it he will impose

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upon us the unpalatable choice of either turning him down or giving him FMS assistance. Israel might offer some help in these circumstances but to the extent Sadat relied on it he would deepen his problems with the Arabs. They would not, in any case, be able to do anything to alleviate his economic difficulties.

Continuing this scenario, our own political efforts to lessen Sadat's isolation would impose strains on our relations with the Arab moderates and make it more difficult to achieve other objectives, e.g., Saudi restraint on oil prices. Countervailing U.S. actions such as attempting to talk up Palestinian rights at the UNGA would have little impact.

With a solid Arab front aligned against Egypt and ourselves, it would be optimistic to expect any success in enlisting Palestinian participation in the tripartite West Bank/Gaza negotiations that would get underway. These negotiations could go only so far in putting flesh on the Camp David framework and then would bog down from inability to get anything to happen on the ground. Extended over time, the scene of an Egyptian-Israeli alliance, supported by the U.S., could lead some Arab producers to try to put oil supply/price pressure on us. They would move to this only cautiously, however, and it is by no means certain Saudi Arabia would join. The brunt of the Arab effort would be to bring Sadat down and to bring Egypt back into the fold.

At any point in this scenario Sadat could be overthrown and replaced by a regime that repudiates the peace Treaty ("forced" upon Egypt like the British tutelage of the eighteen eighties) and moves to restore relations with the Arab brethren. This could--again ironically--alleviate our problems in the short term (we would no longer have a political and economic liability to support) but would deepen them in the longer term. A new regime would almost certainly also make overtures to the Soviet Union, bringing to an end the long Sadat era during which the Soviets have been shut out of the key Arab state.

There is one final point that needs to be made about this scenario. It has the advantage, even in a worst case projection, of making the likelihood of Arab-Israel hostilities more distant. We might then ask: with the threat of an Arab-Israel war put off, and with an even chance that we

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could avoid Arab use of oil as a weapon against us, isn't this a situation we could fundamentally live with? We could if it were possible to be sure of Sadat's survival, or at least the viability of the peace treaty. But as we extend this scenario over time, this assumption becomes increasingly problematical.

U.S. Options

The following actions suggest themselves as a response to this scenario.

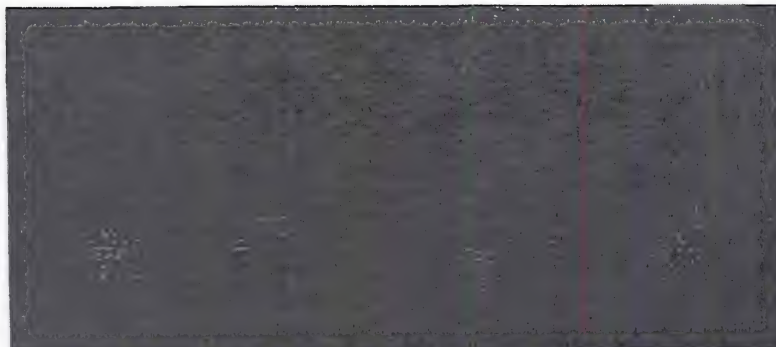
1. Spelling out this scenario highlights the importance of getting as much assurance as we can for Sadat before the Treaty is signed on a West Bank/Gaza political process. It is not only Sadat that has an interest in this; we have an interest, and an important one, as well.

2. The next action pressing on us is the need to head off sanctions against Sadat by the Arab foreign ministers who are supposed to convene in Baghdad when and if the Egypt-Israel treaty is signed. We will have a chance to succeed only if we take a strong stand with our friends, particularly the Saudis and King Hussein. We would make the point that the future shape of the Middle East will hang to a large extent on their and our ability to keep the radicals and the Soviets at bay. The best available tool is success in the peace process. They must rally the moderates, by our count 16 of 21 Arab league members, and reject sanctions against Sadat. This will preserve their maneuvering room and ours for the future. With the Saudis we would stress their leadership role and urge them to act as such--leaders capable of shaping the Arab world in their own and their friends' interests. With all of them we would stress that American public and Congressional opinion will not understand or condone active opposition to the peace process or attempts to punish Sadat. We would tell Sadat that he must work as well in this direction; we can not carry the whole burden any longer.

3. If a polarized situation develops in spite of these measures, we would have two basic options: (a) limiting our actions to using diplomatic persuasion and economic and arms assistance to achieve our ends; (b) buttressing these with consideration of some tougher tactics. Although we question their effectiveness, among these might be:

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II. Failure of Egypt-Israel Negotiations

The current talks could reach an impasse, and with hardening attitudes on both sides, the prospects for renewing these negotiations or getting anything started in an alternative forum, could gradually wither away. In such circumstances Sadat would be strongly tempted to mend his fences with the other Arabs, making the necessary policy adjustments. Arab ranks would close slowly, however, and only with difficulty. There would be much milling around about what the proper course was for the Arabs to take. Some, such as Sadat himself and probably the Saudis and other moderates, would take the position that they were still prepared to proceed with negotiations based on Res. 242 and the Geneva format.

Sadat would be able to relieve the potential pressures on him within Egypt under this scenario. He would project himself as the man who had done everything for peace, but alas, the Israelis, and the U.S., had let him down. He would not be able to do much about Egypt's economic problems, but Saudi and Gulf assistance would keep him afloat and there might even be some extra assistance flowing from Arab "gratitude" that he had not proceeded with a separate peace.

In these circumstances the U.S. would feel under less immediate pressure than under the previous scenario. The Arabs would not have the capability to threaten war credibly for several years. Although there would be widespread disappointment that we had not "delivered" for Sadat, we would have enough assets in the situation to forestall use by the Arabs of their oil weapon for the first few years. We would probably wish to maintain some assistance for Egypt but we

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would no longer be specially beholden to Sadat and with continued Arab aid we would not feel under the gun to dig deeper into our own pockets.

But it is hard to see how we could prevent the situation from deteriorating over a longer period of time into one that posed a real threat to U.S. interests. Israel would continue to colonize the West Bank (perhaps even the Rafah approaches), terrorism would continue, and gradually the Arabs would prepare for military action against Israel in the absence of any workable negotiating formula. Pressures would gradually mount on U.S. interests throughout the Arab area and we would have to consider carefully what it would be like to face an Arab oil embargo in the 1982-5 timeframe.

U.S. Actions

1. We could disengage ourselves for a period of several months with the negotiating situation as it stands in a deliberate move to let the two sides ponder the situation they face if they do not go through with negotiations. We might then call the parties back to negotiations in an effort to reach accommodation. The risk would be that the possible gains on the Israeli side could be countered by a hardening of position on Sadat's side over the same period of time.
2. We could leave the Egyptian-Israeli treaty aside in its present form and try to begin talks on the West Bank and Gaza. The Israelis might refuse initially to talk until the Treaty is signed, but we could try to overcome that resistance.
3. The above failing, we could try to gain time for ourselves by proposing alternative negotiating scenarios. A renewed call for the parties to return to Geneva would be a possibility; another might be Waldheim's proposal for a "preparatory" conference in New York. It is not likely that any of these would lead to real negotiations in present circumstances, but we should not rule them out at some point.
4. We would need to begin to prepare a strategy to maximize our assistance with key moderate Arab states as a hedge against the day when the Arabs again resorted to military action against Israel and applied sanctions against the U.S.

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5. We would need to take concerted action to reduce our and Western Europe's dependence on Arab oil by making contingency plans under the IEA and cultivating alternative suppliers, such as Mexico.

III. Overthrow of the Shah in Iran

If the Shah is overthrown and replaced by a regime markedly less friendly to the U.S., three possible scenarios seem most likely:

1. The Shah is deposed by a government led by senior military officers.

2. Both the Shah and his senior military staff are overthrown by a radical military coup.

3. The military government collapses, the Shah abdicates and power is assumed by a civilian government designated by Aytollah Khomeini.

4. The often discussed possibility of a leftist government, it seems to us, would be farther down the road after a right-leaning civilian government had had some time to prove its ability to govern and had failed.

The removal of the Shah would be interpreted universally, as well as throughout the region, as evidence of reduced U.S. power. Certainly, most states within the region would question U.S. reliability as an ally.

Pakistan, as well as possibly Saudi Arabia and Turkey, and possibly others, would be stimulated to give further consideration to hedging their bets by seeking improved relationships with the Soviet Union or others who might provide protection for the region. On the other hand Saudi Arabia, for example, would probably make urgent requests to us for additional military assistance and defense commitments.

Because the Iranian economy will be in desperate straits we can presume that any government following the overthrow of the Shah would seek to pump oil at maximum levels. Any such government, however, might face sabotage and dissident activity which could disrupt oil shipments. This would more likely be the case under a harsh government of senior military officers. Israel and its oil supply would almost certainly be a casualty under any scenario, although there is a chance that a government

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of senior military officers would wish to preserve the tie if they felt it would not be too costly in domestic political terms.

A centrally important consideration for the U.S. if the Shah is overthrown is the security of U.S. intelligence sites and sensitive military equipment. Planning for this contingency is already underway. Under a senior officer military government there would probably be no immediate problem. The chances of retaining our intelligence sites over the long run would seem to be diminished under either of the last two scenarios.

Once the Shah is deposed, the Soviet Union, as well as all other states with an interest in Iran, will move to establish positions of influence in the country. We can expect the Soviets to increase their support for the Tudeh party and to take other actions not excluding the supply of arms if that appears necessary to them to forestall a government that could destabilize the relationship the Soviets have established with Iran under the Shah.

U.S. Options

The U.S. policy of giving the Shah strong support has tended to identify us with him in the eyes of the opposition. Nevertheless, more responsible elements in the opposition still seek signs that the U.S. believes it has a future in Iran without the Shah. They crave a sign of U.S. interest. Presumably, these same elements would continue to seek U.S. support in the post-Shah era. We would probably still have the chance of strengthening our position with them despite our previous policy in order to help them defend against communist and other radical influences. Such a policy would not, however, assure us of success. Iran may already be too radicalized in the direction of anti-U.S. nationalist elements for us to recoup our position.

Sending U.S. troops to Iran to seize oilfields or protect a government of our choosing would further radicalize the Iranian political system and would not enjoy broad support in the U.S.

IV. Effect of These Contingencies in Saudi Arabia

A. Sadat Signs a "Separate Peace."

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 it is by no means clear that Saudi Arabia would not follow the lead and formulas of the Baghdad Summit. While Saudi Arabia has strong reasons for maintaining the best possible relations with Egypt, the Saudis feel that Sadat has made this very difficult for them by his inept inter-Arab diplomacy. There are indications that beyond the publicized incidents that Sadat has been personally insulting to Crown Prince Fahd. Therefore, despite what the Saudis may tell us, there is a strong possibility that Saudi Arabia could undertake in cooperation with other states punitive measures (at least to the extent of withdrawing current support) against Egypt. However, several months after the signing Saudi Arabia might well feel constrained to try to mend its relations with Egypt and continue its economic support. The Saudis will do their best to carry water on both shoulders in this scenario but over the long-term they may not be able to withstand pressures from an Arab bloc to align themselves against Sadat.

B. Peace Talk Breakdown. A breakdown in the peace talks would lead Saudi Arabia to ask the U.S. to pressure Israel into a settlement which provided for complete Israeli withdrawal from occupied territories and self-determination for the Palestinians. They would support a call for a reconvened Geneva Conference. This Saudi position partially would be posturing. The Saudi leadership feels that President Sadat's Jerusalem initiative and the Camp David Accords have put them on the horns of an agonizing dilemma. They want to maintain their bilateral relations with the United States, while at the same time avoiding antagonizing other Arab states. A breakdown in the peace talks would allow them, at least temporarily, to escape from their present dilemma.

C. Internal Unrest in Saudi Arabia. This contingency continues to appear highly unlikely in the short run and would not be a consequence of Iranian developments. There are no major disaffected groups within Saudi society. Furthermore, the Saudi Royal Family has firm control of most major posts in the Government. There is some political activity within the Royal Family concerning who will be the next Crown Prince when King Khalid dies. We see little chance that Prince Abdullah will not succeed Fahd as Crown Prince.

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D. Internal Instability in the Gulf States. Internal instability in the Gulf states would be considered by the Saudis as a major threat to their own security. They would be sorely tempted to intervene, for example, in the event that an unfriendly regime came to power in the United Arab Emirates, and have indicated their intention to intervene in North Yemen if an unfriendly government comes to power. However, their ability to effectively intervene in Oman or North Yemen is extremely limited and they would be concerned about Iraqi reaction if they intervened in Kuwait.

E. Oil Supply Problems. In response to the current Iranian petroleum situation, Saudi Arabia has greatly alleviated current world market shortages by increasing its production to the maximum sustainable level of about 10 million bpd. In the short run, there is little more that they can do. In the longer term, they could substantially increase their productive facilities. Such an increase in productive facilities would not only assure their continued control of OPEC but would also create reserve capacity in the system which might be used if the production of an important producer were interrupted. However, Saudi Arabia for a variety of reasons has been reluctant to increase productive capacity as rapidly as we would like.

Saudi Arabia feels itself unable at the present time to protect its own oil fields and pipelines from sabotage. The fear of such sabotage, from Palestinian or other radical groups, is a live concern for Saudi leadership. As with the collapse of a friendly government in Iran, we would anticipate urgent Saudi requests for security assistance and even military protection should the Royal Family become convinced that the oil fields were targeted for destruction.

V. Renewed Crisis in Lebanon

Events in Lebanon could rebound against our interests in one of two ways: either internal Lebanese events could escalate to involve both the Syrians and the Israelis to such a degree that movement on Arab-Israeli peace would be affected, or, conversely, events in the Arab-Israeli context could lead to further deterioration of the internal Lebanese scene.

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Internally, Christian hardliners could again provoke the Syrian forces into massive retaliation which, in turn, could lead the Israelis to ever deeper involvement in Lebanon. This could detract attention from or conceivably even derail progress in peace talks. Syria, too, conceivably could use Lebanon as a device for derailing the peace process with which it does not agree, though it is not likely that Syria would do this since Syria with its forces weakened by division between the Golan and Lebanon would be engaging in a very dangerous game of brinksmanship with the Israelis.

The impact of an extended deadlock in peace talks on the Lebanese situation would be, first, to make it extremely unlikely that the Palestinians would agree to necessary internal Lebanese reforms, precisely because the peace process remained a question mark on the subject of the Palestinian future. The Palestinians would be reluctant to give up any of their arms or freedom of movement within Lebanon. Prolonged deadlock also might enhance the appeal of Lebanon as a way for outside Arab parties to maneuver against one another. The Syrians might keep the pot boiling as pressure against Israel and the U.S. The PLO conceivably could use Lebanon as a device to derail the peace talks by provoking a renewal of the Lebanese civil war, though without Syrian approval this would be difficult for the PLO to do.

The impact on Lebanon of an Egypt-Israel treaty which leaves a strong impression in the Arab world of a separate deal probably would lead first to rejectionist strengthening of the PLO in Lebanon, thereby making internal Lebanese reforms even less likely than they now are. Depending on the strength of the degree of opposition to such a treaty, particularly as far as Saudi and Jordanian attitudes might go, Syria might indeed create with Iraq a two-front situation to Israel's north by beefing up its own forces in Lebanon and permitting Iraqi forces to reinforce the Golan. This would be an extremely dangerous course for both Syria and Iraq, since the danger of an Israeli preemption before these forces completed their redeployment would be great.

The Palestinian fedayeen--both the pragmatists and the militants--could decide upon a policy of increased resistance activities within Israel and a new offensive of international terrorism. More than likely this would entail major Palestinian efforts to reinfiltrate southern Lebanon and use it as a platform for attacks upon Israel. Whether UNIFIL could cope

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with this problem is problematical and, given in the meantime an absence of Israeli and Christian militia cooperation, UNIFIL might have to be given up and southern Lebanon would again be a confrontation area subject not only to Israeli military actions but conceivably occupation as well.

Our Options

We already are consulting with the Israelis; Lewis is being instructed to raise the whole range of Lebanese issues with Weizman later this week. We also are consulting with the Syrians, Kuwaitis and Saudis who make up the committee formed at the Bayt Ad Din meeting with a mandate to help Sarkis reach further political reconciliation. We will continue to discuss what might be done with these governments and will continue as well to encourage Sarkis to exercise more active and more imaginative leadership. We could also:

- take a more active role by inserting our own ideas, in detail, to Sarkis or to the Saudis for use in the very active role they are playing;
- encourage Saudis to call a meeting in Riyadh of the leaders of Lebanese factions with a view to "laying down the law" about their past and future behavior;
- if serious escalation occurs, ourselves call a conference, as the President has suggested, and enlist Saudi and other Arab help in imposing at least the outlines of a solution.

VII. Looking at the Longer-Term

Over the next six months in pursuing some of the options described above, we will be working on the assumption that the way to demonstrate strength, to bring the moderates to our side, and to show the rejectionists' and the USSR's relative weakness is to produce steady progress in implementing the Camp David Framework. This in itself may require some new moves toward the Palestinians and with Israel. While this paper does not look in detail beyond the next six months, it provides an opportunity to make a point about the next five years that we should begin to factor into our perception of this area.

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Many forces are at work in the Middle East, guaranteeing that it is likely to be a more changeable area over the next decade than over the last (excepting the 1973 war and the Sadat initiative): unresolved aspects of the Arab-Israeli conflict, particularly the Palestinian issues; intra-Arab rivalries; the stresses caused as conservative societies are subjected to particularly rapid modernization fueled by oil wealth; a rising tide of religious conservatism. Even in this situation the long-term forces in the area favoring stability and ties with the West will be strong, but they will be constantly challenged by outbursts of radicalism and anti-Westernism. There will be more need than in recent years to nurture these relationships.

Our ability to influence the direction of these forces through policy choices of our own is limited. Our objective remains to build as strong a body of moderate states as possible in the area, governments and societies that are resistant to radicalism and Soviet ambitions, and that see their destinies as linked in one way or another with the progress of the West and its allies. But we will be sorely challenged in this task. In addition to dealing with a highly volatile area, we are confronted with the paradox that our very determination to pursue an Arab-Israel peace may create conditions of polarization among the Arabs which, in the short term makes the achievement of our objective of building a broad consensus of moderate states even more difficult. We will of course continue to make a major effort to broaden the peace process. We must recognize, however, that what Sadat set in motion a year ago has now probably gone too far to be reversed. He must brave it out, and we along with him.

In these high-risk circumstances we need to make a careful examination of our policies to make sure they are governed by concepts that are not out-dated, that they maximize our ability to protect our assets in the area and to work effectively to expand those assets. We will be dealing with an area that itself is undergoing rapid change; it will not necessarily be effective to deal with it through policies developed in the fifties and then constrained in the wake of the Vietnam experience. Our basic problem is that, along with the increasing difficulty of the problems we face in the Middle East, our ability to bring our power to bear in a manner that effectively helps our friends and hurts our adversaries has progressively declined over the

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past decade. Sensing this, neither our friends nor our adversaries attach as much credibility as we would like to our policies and our assurances about the future.

Among the policy elements that might be subjected to such reexamination are:

-- Our security arrangements in the area. Is the present network of arrangements the best designed to meet the likely threats of the eighties? For example, Saudi Arabia has indicated fear of radical-promoted sabotage of its oilfields, a concern that evidently influenced Saudi behavior at the Baghdad summit. King Hussein has spoken to us of the "protection" he would need from Syria and Iraq if he took the plunge into the peace process. Farther east, Pakistan is seeking help that is beyond our capabilities with present policies. We have not really responded to any of these openings.

-- Related to the foregoing, our present policy is that any security commitments that could lead to U.S. military intervention in the area in some form is unthinkable. Should post-Vietnam inhibitions continue to govern in an area where the stakes for U.S. interests are high?

-- Use of our economic and military assistance. Particularly in response to urgings from area states such as Saudi Arabia who have seen themselves as threatened by Soviet encroachments, our response has been sluggish. This has weakened our credibility as an ally to those states and made them less responsive to our own policy interests.

-- A U.S. strategy with the Arab radicals. With an Egypt-Israel Treaty in place (if that indeed comes to pass) we may want to consider an approach to controversial issues that could undermine the radicals' argument that our policy in reality is wedded to a separate Egypt-Israel peace. Possibilities are a statement of long-term policy on the Palestinians, or on the Jerusalem issue.

-- Establishing the credibility of our "full partnership" in the peace process. The message we are getting from Prince Fahd these days is illustrative of the way many Arabs feel: he gives high marks to President Carter for good intentions and personal effort, but he remains deeply skeptical that we can prevent Israel from continuing to "create facts" in the West Bank and Gaza, and to shut out the Palestinians. We need, perhaps through hammering out an understanding with Israel on the settlements question, to build Arab confidence in what the U.S. role as "full partner" means.

~~SECRET~~

MEMORANDUM

7063X

NATIONAL SECURITY COUNCIL

SECRET ATTACHMENT

ACTION

November 24, 1978

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI

FROM: WILLIAM B. QUANDT B.2.

SUBJECT: Worst Case Scenarios

A memorandum for the President is provided for your signature at Tab I.

RECOMMENDATION: That you sign the memo at Tab I.

SECRET-ATTACHMENT

DECLASSIFIED

Per: Rac Project

ESCA: NLC-25-92-6-2-5

BY: Ch DATE 8/9/2013